
Health Care & Wellness Committee

HB 2408

Brief Description: Preserving access to individual market health care coverage throughout Washington state.

Sponsors: Representatives Cody, Jinkins, Goodman, Johnson, Slatter, Tharinger, Stanford, Macri, Ormsby, Doglio and Appleton.

Brief Summary of Bill

- Requires a health carrier offering a health plan approved by the School Employees' Benefits Board to offer a qualified health plan in counties where no qualified health plans are offered on the Health Benefit Exchange.
- Reduces the premiums for enrollees in the Washington Health Insurance Pool in counties where there is no other individual market coverage available.

Hearing Date: 1/17/18

Staff: Jim Morishima (786-7191).

Background:

Individual Market Coverage.

Individuals may purchase health insurance through the Washington Health Benefit Exchange (Exchange) or in the individual market outside of the Exchange. Most individual market plans are subject to a variety of federal and state requirements, including minimum actuarial values, rate review, and benefit mandates. Most individual plans must be offered in actuarial value tiers: Bronze (60 percent), Silver (70 percent), Gold (80 percent), and Platinum (90 percent).

Through the Exchange, individuals may compare and purchase individual coverage, access premium subsidies, and apply for Medicaid coverage. Premium subsidies are available to individual between 100 percent and 400 percent of the federal poverty level. Cost sharing reductions are available to individuals between 100 percent and 250 percent of the federal

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poverty level. Carriers offering plans in the Exchange must offer at least one Silver and one Gold plan. Only health plans certified by the Exchange as qualified health plans (QHPs) may be sold on the Exchange.

The School Employees' Benefits Board.

The School Employees' Benefits Board (SEBB) is a nine-member board that is part of the consolidated school district employees' health benefits purchasing program in the Health Care Authority (HCA). The SEBB's responsibilities include developing benefit plans for school employees and participating with the HCA in coordination with the Public Employees' Benefits Board in the selection of carriers to provide health and dental plans.

The Washington State Health Insurance Pool.

The Washington State Health Insurance Pool (WSHIP) is Washington's high risk pool. The WSHIP provides coverage for:

- individuals ineligible for Medicare who were enrolled in WSHIP plans prior to January 1, 2014;
- individuals ineligible for Medicare who live in a county where individual health coverage is unavailable; and
- individuals eligible for Medicare who do not have access to a reasonable choice of Medicare Advantage plans and provide evidence of rejection for medical reasons, restrictive riders, an uprated premium, preexisting condition limitations, or lack of access to a comprehensive Medicare supplemental plan.

The WSHIP is funded through premiums and assessments on health carriers, including Medicaid managed care plans and the state's Uniform Medical Plan.

Summary of Bill:

Individual Market Coverage.

A health carrier offering a SEBB-approved health plan to school employees must offer at least one Silver QHP on the Exchange in any county that would not otherwise have any individual health plans (other than catastrophic plans) offered on the Exchange. The health carrier must submit the filings with the Insurance Commissioner (Commissioner) necessary to offer a QHP in every county of the state, which the Commissioner must provisionally approve using the same standards applicable to other individual plans.

If, by the filing deadline for individual market plans, the Commissioner has received no filings for individual market health plans to be offered in the Exchange in a particular county, the Commissioner must extend the filing deadline by 14 days and notify carriers that no on-Exchange individual market filings have been received for that county. If, by the end of the extension period, no carriers have submitted filings for individual plans to be offered on the Exchange in the county, the Commissioner must notify the carrier offering the SEBB-approved plan and approve its plan for sale in the county. The health carrier must then submit the health plan to the Exchange for certification as a QHP and, upon certification, must offer the health plan on the Exchange.

The Washington State Health Insurance Pool.

A person eligible for WSHIP coverage because individual health coverage is not available must have his or her premium rate reduced. The amount of the reduction is the average amount of premium subsidies available to persons with the same income in counties within the same geographic rating area. If there are no QHPs in the geographic rating area, the amount of the reduction is the average amount of premium subsidies available to persons of the same income statewide. The reductions are funded through the WSHIP assessments on health carriers, Medicaid managed care plans, and the Uniform Medical Plan.

Appropriation: None.

Fiscal Note: Requested on January 10, 2018.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.